

The Honorable Paul H. O'Neill  
Secretary of Treasury  
United States Department of Treasury  
Washington, DC 20220

Dear Secretary O'Neill:

On behalf of the U.S. Commission on International Religious Freedom (the Commission), I am writing to urge you to withhold U.S. support for International Monetary Fund (IMF) and World Bank loans to Vietnam in light of that government's grievous violations of the right to religious freedom. The Commission is a federal government entity created by the International Religious Freedom Act of 1998 (IRFA) to monitor religious freedom in other countries and advise the President, the Secretary of State, and Congress on how best to promote it. This evaluation and recommendation of U.S. policy is made pursuant to the Commission's mandate in IRFA, Sec. 202, 22 U.S.C. § 6532.

Despite the increase in religious practice among the Vietnamese people in the last 10 years, the Vietnamese government suppresses organized religious activities forcefully and monitors and controls religious communities. The government prohibits religious activity by those not affiliated with one of the six officially recognized religious organizations. Individuals have been detained, fined, imprisoned, and kept under close surveillance by security forces for engaging in "illegal" religious activities. In addition, the government uses the recognition process to monitor and control officially sanctioned religious groups: restricting the procurement and distribution of religious literature, controlling religious training, and interfering with the selection of religious leaders.

The IMF and the World Bank reportedly are considering loans to the Vietnamese government of up to \$800 million to further Vietnam's economic reform programs. The proposed loan package would provide up to \$400 million during the first two to three years of the program. An additional \$400 million would be conditional upon the Vietnamese government making satisfactory progress in the implementation of its economic reforms during the program's initial period. While these loans are part of the two organizations' ongoing assistance to the Vietnamese government, they reportedly would represent the first set of IMF and World Bank loans to Vietnam in five years. Officials of the IMF and the World Bank apparently are hopeful that the respective executive boards would approve the loans in April 2001, with their implementation to follow in May.

The Commission recommends that the United States should withhold its support for IMF and World Bank loans to the government of Vietnam (except those providing for basic human needs) until the government of Vietnam agrees to make substantial improvements in the protection of religious freedom. <sup>1</sup> The Commission believes that supporting international economic aid that primarily benefits the Vietnamese government without requiring a commitment to substantially improve its protection of religious freedom rewards that government for its human rights abuses and may be interpreted as a signal of U.S. indifference.

The Commission recognizes that Congress has set down policy guidelines for the withholding of U.S. support for IMF or World Bank loans on human rights grounds in both the International Financial Institutions Act of 1977 and IRFA.<sup>2</sup> The Commission believes that the severity of the Vietnamese government's violation of religious freedom, and its apparent unwillingness to make sustained improvements in the protection of religious freedom, warrants the use of this sanction. The United States should not withhold its support for loans made for the purpose of providing for basic human needs of the Vietnamese people.

Thank you for your consideration of the Commission's recommendation. Please do not hesitate to contact the Commission's Executive Director, Steven T. McFarland, or myself should you wish to discuss this matter further.

Respectfully,

Elliott Abrams  
Chairman

cc: Honorable Colin L. Powell, Secretary of State John Duncan, Acting Assistant Secretary of Treasury for Legislative Affairs Office of the Ambassador-at-Large for International Religious Freedom

<sup>1</sup> Indicators of such improvements include:

1. Release from imprisonment, detention, house arrest, or intimidating surveillance persons who are so restricted due to their religious identities or activities.
2. Permit unhindered access to religious leaders by U.S. diplomatic personnel and government officials, the U.S. Commission on International Religious Freedom, and respected international human rights organizations, including, if requested, a return visit by the UN Special Rapporteur on Religious Intolerance.
3. Establish the freedom to engage in religious activities (including the freedom for religious groups to govern themselves and select their leaders, worship publicly, express and advocate religious beliefs, and distribute religious literature) outside state-controlled religious organizations and eliminate controls on the activities of officially registered organizations. Allow indigenous religious communities to conduct educational, charitable, and humanitarian activities.
4. Permit religious groups to gather for annual observances of primary religious holidays
5. Return confiscated religious properties. Permit domestic Vietnamese religious organizations and individuals to interact with foreign organizations and individuals.

<sup>2</sup>Sec. 701, International Financial Institutions Act of 1977, 22 U.S.C. § 262d; IRFA § 405(a)(12), 22 U.S.C. § 6445.

Hon. Elliott Abrams

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